

2010

**LAFOURCHE BASIN LEVEE DISTRICT
STATE OF LOUISIANA**

***Basic Financial Statements*
And Independent Auditors' Reports**

**As of and for the Year Ended December 31, 2009
With Supplemental Information**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 10/13/10

**LAFOURCHE BASIN LEVEE DISTRICT
STATE OF LOUISIANA
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Independent Auditor's Report

**Board of Levee Commissioners of the
Lafourche Basin Levee District**

We have audited the accompanying financial statements of the Lafourche Basin Levee District (the District), a component unit of the State of Louisiana, as of and for the year ended December 31, 2009, which collectively comprise the District's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above, present fairly, in all material respects, the financial position of the District as of December 31, 2009, and the results of operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2010 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws,

regulations, contracts, and grant agreements and other matters. The purpose of that is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule, and schedule of funding progress for postemployment benefits on pages 3 through 7, 29 and 30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurances.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The accompanying information listed as supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the District. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Hienz & Macaluso, LLC

HIENZ & MACALUSO, L.L.C.
Metairie, LA

June 24, 2010

**STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2009**

MANAGEMENT DISCUSSION & ANALYSIS

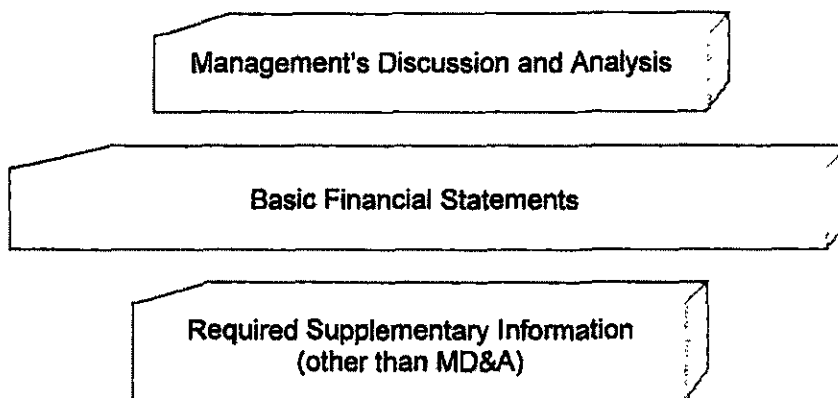
The Management's Discussion and Analysis of the Lafourche Basin Levee District's financial performance presents a narrative overview and analysis of Lafourche Basin Levee District's financial activities for the year ended December 31, 2009. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the Lafourche Basin Levee District's financial statements, which begin on page.

FINANCIAL HIGHLIGHTS

- ★ The Lafourche Basin Levee District's assets exceeded its liabilities at the close of calendar year 2009 by \$12,921,210 which represents a 6.17% increase from last fiscal year. The net assets increased by \$751,337.
- ★ The Lafourche Basin Levee District's revenue decreased \$175,266(or 4.13%) and the net results from activities increased by \$751,337(or 6.17%).

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the Basic Financial Statements (including the notes to the financial statements), and Required Supplementary Information.

Basic Financial Statements

The basic financial statements present information for the Lafourche Basin Levee District as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Balance Sheet; the Statement of Revenues, Expenses, and Changes in Fund Balances.

**STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2009**

The Balance Sheet presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Lafourche Basin Levee District is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Balances presents information showing how Lafourche Basin Levee District's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets as of December 31, 2009		
	Total	
	2009	2008
Current and other assets	\$ 13,019,701	\$ 11,830,562
Capital assets	1,165,171	1,239,781
Total assets	14,184,872	13,090,343
Other liabilities	215,566	189,107
Long-term debt outstanding	1,048,096	731,363
Total liabilities	1,263,662	920,470
Net assets:		
Invested in capital assets, net of debt	1,165,171	1,239,781
Unrestricted	11,756,039	10,930,092
Total net assets	\$ 12,921,210	\$ 12,169,873

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements. Conversely, unrestricted net assets are those that do not have any limitations on how these amounts may be spent.

Net assets of Lafourche Basin Levee District increased by \$751,337, or 6.17%, from December 31, 2008 to December 31, 2009, primarily due to a decrease in other charges.

**STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2009**

Statement of Revenues, Expenses, and Changes in Fund Net Assets
for the years ended December 31, 2009 and 2008

	<u>Total</u>	
	<u>2009</u>	<u>2008</u>
Operating revenues	\$ 4,064,873	\$ 4,240,139
Operating expenses	3,313,536	3,326,605
Operating income(loss)	<u>751,337</u>	<u>913,534</u>
Non-operating revenues(expenses)		
Income(loss) before transfers	<u>751,337</u>	<u>913,534</u>
Transfers in		
Transfers out		
Net increase(decrease) in net assets	<u>\$ 751,337</u>	<u>\$ 913,534</u>

The Lafourche Basin Levee District's total revenues decreased by \$175,266 or 4.13%. The total cost of all programs and services decreased by \$13,069 or 0.39%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2009, the Lafourche Basin Levee District had \$1,165,171 net of accumulated depreciation invested in a broad range of capital assets. (See Table below)

This amount represents a net decrease (including additions and deductions) of \$74,610 over last year.

**STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2009**

**Capital Assets at Year-end
(Net of Depreciation, in thousands)**

	<u>2009</u>	<u>2008</u>
Land	\$ 130,227	\$ 130,227
Buildings and improvements	308,615	379,522
Machinery and equipment	726,329	730,032
Infrastructure	-	-
Totals \$	<u>1,165,171</u>	<u>1,239,781</u>

This year's major additions included:

- A/C Unit \$11,500
- 3 Rotary Mowers \$41,304
- 3 Pick-up Trucks \$77,778

Debt

The Lafourche Basin Levee District had the following debt outstanding at December 31, 2009 and 2008:

Outstanding Debt at Year-end

	<u>2009</u>	<u>2008</u>
Compensated Absences	\$ 90,423	\$ 91,015
Other postemployment benefits	957,673	640,348
Totals \$	<u>1,048,096</u>	<u>731,363</u>

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Actual revenues were \$1,095,096 over budget primarily due to greater than expected ad valorem tax collections and oil and gas royalties, as well as revenues received from the Office of Coastal Protection and Restoration. Expenditures were \$96,492 under budget due to less than expected capital outlay offset by greater than expected personal services and operating services.

**STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2009**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Lafourche Basin Levee District's elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees:

- The LBLD elected to adopt the adjusted millage rate of 3.90 mills which will generate the same revenue from ad valorem tax collections.
- Increased costs of employee salaries based on civil service merit rate.
- Hospitalization insurance cost remain the same as current calendar year 2010
- In-kind services to other parishes will depend on approved permits
- LBLD investment manager does not expect an increase in interest rates on investments

The Lafourche Basin Levee District expects that next year's results will improve based on the following:

- Decrease in cost of insurance for building and equipment
- Administrative Program Director continues to request quotes on items that do not require public bids
- A slight decrease in the overall cost of administration and levee maintenance operations due to newer equipment being purchased by the Board Members

CONTACTING THE LAFOURCHE BASIN LEVEE DISTRICT'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Lafourche Basin Levee District's finances and to show the Lafourche Basin Levee District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Clinton Rouyea, Jr., external accountant at 225-622-1651.

**LAFOURCHE BASIN LEVEE DISTRICT
STATE OF LOUISIANA
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2009**

ASSETS

Current Assets	
Cash	\$ 698,060
Investments	9,179,614
Due from FEMA	26,611
Ad valorem taxes receivable	2,969,013
Due from South Lafourche Levee District	109,314
Due from Office of Coastal Protection and Restoration	7,448
Rents and royalties receivable	10,386
Notes receivable	19,255
Total Current Assets	<u><u>13,019,701</u></u>
Capital Assets	
Land	130,227
Buildings and improvements	574,167
Machinery and equipment	2,068,188
Accumulated depreciation	(1,607,411)
Total Capital Assets	<u><u>1,165,171</u></u>
TOTAL ASSETS	<u><u>14,184,872</u></u>

LIABILITIES

Current Liabilities	
Accounts payable	96,662
Accrued salaries and deductions payable	18,998
Deferred revenue	99,906
Total Current Liabilities	<u><u>215,566</u></u>
Noncurrent Liabilities	
Compensated absences	90,423
Other postemployment benefits payable	957,673
Total Noncurrent Liabilities	<u><u>1,048,096</u></u>
TOTAL LIABILITIES	<u><u>1,263,662</u></u>

NET ASSETS

Invested in capital assets, net of related debt	1,165,171
Unrestricted	<u><u>11,756,039</u></u>
TOTAL NET ASSETS	<u><u>\$ 12,921,210</u></u>

The accompanying notes are an integral part of these financial statements

**LAFOURCHE BASIN LEVEE DISTRICT
STATE OF LOUISIANA
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009**

GOVERNMENTAL ACTIVITIES:

Public Safety - Flood Protection

Personal services and related benefits	\$ 1,916,311
Travel	25,684
Operating services	664,092
Professional services	407,074
Other charges	3,961
Capital Outlay	50,514
Depreciation expense	<u>245,900</u>
Total Governmental Activities	<u>3,313,536</u>

General Revenues:

Taxes - Ad valorem taxes and interest	3,099,644
Intergovernmental revenues - State revenue sharing	72,007
Intergovernmental revenues - Office of Coastal Protection and Restoration	275,797
Use of money and property -	
Interest earned	63,484
Royalties and leases	443,052
Permits and fees	27,440
Other revenues	<u>83,449</u>
Total General Revenues	<u>4,064,873</u>

Increase in net assets	751,337
Net assets, beginning of year	<u>12,169,873</u>
Net assets, end of year	<u>\$ 12,921,210</u>

The accompanying notes are an integral part of these financial statements

**LAFOURCHE BASIN LEVEE DISTRICT
STATE OF LOUISIANA
FUND FINANCIAL STATEMENTS
BALANCE SHEET
DECEMBER 31, 2009**

ASSETS

Cash	\$ 698,060
Investments	9,179,614
Due from FEMA	26,611
Ad valorem taxes receivable	2,969,013
Due from South Lafourche Levee District	109,314
Due from Office of Coastal Protection and Restoration	7,448
Rents and royalties receivable	10,386
Notes receivable	19,255
Total Assets	\$ 13,019,701

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	\$ 96,662
Accrued salaries and deductions payable	18,998
Deferred revenue	119,161
Total Liabilities	234,821

Fund Balance:

Designated for levee protection	1,500,000
Unreserved - undesignated	11,284,880
Total Fund Balance	12,784,880

TOTAL LIABILITIES AND FUND BALANCE

\$ 13,019,701

Reconciliation of total Governmental Fund Balance to Net Assets of Governmental Activities:

Total Governmental Fund Balance	\$ 12,784,880
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Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds (net of accumulated depreciation of \$1,598,126)	1,165,171
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds	19,255
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	
Compensated absences	(90,423)
Other postemployment benefits	(957,673)

Net Assets of Governmental Activities	\$ 12,921,210
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The accompanying notes are an integral part of these financial statements

**LAFOURCHE BASIN LEVEE DISTRICT
STATE OF LOUISIANA
FUND FINANCIAL STATEMENTS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2009**

Revenues:

Taxes - Ad valorem taxes and interest	\$ 3,099,644
Intergovernmental revenues - State revenue sharing	72,007
Intergovernmental revenues - Office of Coastal Protection and Restoration	275,797
Use of money and property -	
Interest earned	63,484
Royalties and leases	443,052
Permits and fees	27,440
Other Revenues	84,589
Total Revenues	<u>4,066,013</u>

Expenditures:

Salaries - president	12,000
Per diem - commissioners	14,550
Salaries - executive secretary	4,800
Salaries - administrative	222,238
Salaries - levee maintenance	765,560
Employee benefits and services	580,430
Total personal services and related benefits	<u>1,599,578</u>
Travel	25,684
Operating services	664,092
Professional services	407,074
Other charges	3,961
Capital outlay	221,804
Total Expenditures	<u>2,922,193</u>

Excess of revenues over expenditures 1,143,820

Fund balance December 31, 2008 11,641,060

Fund Balance December 31, 2009 \$ 12,784,880

The accompanying notes are an integral part of these financial statements

**LAFOURCHE BASIN LEVEE DISTRICT
STATE OF LOUISIANA
FUND FINANCIAL STATEMENTS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2009**

**Reconciliation of the change in fund balance -
governmental fund to the change in net assets
of governmental activities:**

Net change in fund balance governmental fund	\$ 1,143,820
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the lives of the assets:	
Capital asset purchases capitalized	171,290
Depreciation expense	(245,900)
Some expenses reported in the Statement of Activities do not require use of current financial resources and therefore are not reported as expenditures in governmental funds	
Compensated absences	592
Other postemployment benefits	(317,325)
Some revenues reported in the Statement of Revenues, Expenditures and Changes in Fund Balance are accounted for as special items in the Statement of Activities -	
Recognition of deferred revenues	<u>(1,140)</u>
Change in Net Assets of Governmental Activities	<u>\$ 751,337</u>

The accompanying notes are an integral part of these financial statements

**LAFOURCHE BASIN LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.A. INTRODUCTION

The Lafourche Basin Levee District was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute (R.S.) 38.291. The Lafourche Basin Levee District is comprised of all or portions of the following parishes: Ascension, Assumption, St. Charles, St. James, and St. John the Baptist. The levee district primarily provides flood protection for those areas contained in the district. The governing board administers the operations and responsibilities of the levee district in accordance with the provisions of Louisiana statutes. The Board of Commissioners of the Lafourche Basin Levee District consists of eleven members appointed by the governor.

The accounting and reporting framework and the more significant accounting principles and practices of the Lafourche Basin Levee District are discussed in subsequent sections of this Note. The remainder of the notes is organized to provide explanations, including required disclosures, of the Lafourche Basin Levee District's financial activities for the year ended December 31, 2009. The Lafourche Basin Levee District implemented new reporting model standards beginning July 1, 2001. Comparability with reports of all prior years will be affected.

1.B. FINANCIAL REPORTING ENTITY

GASB Codification Section 2100 has defined the governmental reporting entity to be the State of Louisiana. The Lafourche Basin Levee District is considered a component unit of the State of Louisiana because the state exercises oversight responsibility in that the governor appoints the board members, and public service is rendered within the state's boundaries. The accompanying basic financial statements present information only as to the transactions of the Lafourche Basin Levee District, a component unit of the State of Louisiana.

Annually the State of Louisiana issues a basic financial statement which includes the activity contained in the accompanying financial statement. The basic financial statement is issued by the Louisiana Division of Administration-Office of Statewide Reporting and Accounting Policy and audited by the Louisiana Legislative Auditor.

1.C. BASIS OF PRESENTATION

Government-wide Financial Statements

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. They include all funds of the Lafourche Basin Levee District. The statements distinguish between governmental and business-type activities.

**LAFOURCHE BASIN LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the Lafourche Basin Levee District are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Lafourche Basin Levee District or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The fund of the Lafourche Basin Levee District is described below:

Governmental Fund

General Fund

The General Fund is the primary operating fund of the Lafourche Basin Levee District and is classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

1.D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

**LAFOURCHE BASIN LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus

On the government-wide Statement of Net Assets and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide Statement of Net Assets and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when “measurable and available”. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

**LAFOURCHE BASIN LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.E. ASSETS, LIABILITIES, NET ASSETS AND FUND EQUITY

Cash and Cash Equivalents and Investments

For the purpose of the Statement of Net Assets, cash and cash equivalents include all demand, savings accounts, and certificates of deposit with an original maturity of 90 days or less.

Investments are carried at fair value except for short-term U.S Treasury obligations with a remaining maturity at the time of purchase of one year or less. Those investments are reported at amortized cost. Fair value is based on quoted market price.

Additional cash and investment disclosures are presented in Notes 2.B. and 3.A.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as ad valorem taxes, grants and other similar intergovernmental revenues since they are usually both measurable and available. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available.

Capital Assets and Depreciation

The accounting treatment over capital assets depends on whether the assets are used in governmental fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original acquisition cost or acquisition value of \$5,000 or more are recorded at historical cost, or estimated historical cost if actual is unavailable. Donated fixed assets are recorded at their estimated fair value at the date of donation.

**LAFOURCHE BASIN LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Infrastructure

Prior to July 1, 2001, the infrastructure assets of governmental funds were not capitalized. The infrastructure assets are composed of nine floodgates that have been valued at estimated historical cost from information obtained from the U.S Army Corps of Engineers.

The Lafourche Basin Levee District has both Mississippi River and Tributaries (MR&T) and Hurricane Protection Levees. These levees provide protection for most of the land areas contained within the District.

The Division of Administration, State of Louisiana, in a letter dated June 11, 2002, has advised that the Lafourche Basin Levee District does not provide major and significant improvements or maintenance to the levees that would constitute ownership under GASB 34 requirements. Based on guidance from the Division of Administration, the Lafourche Basin Levee District is required to report only a separate note disclosure of the MR&T and Hurricane Protection Levees in the financial statements. The Lafourche Basin Levee District mows grass and does minor repairs with its own workforce. Major repairs are normally made by the U.S. Army Corps of Engineers.

Depreciation

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	20-40 years
Machinery and equipment	5-10 years

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

**LAFOURCHE BASIN LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences

Employees of the Lafourche Basin Levee District earn and accumulate vacation and sick leave at varying rates, depending upon their years of service. The amount of vacation and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused vacation leave at the employee's hourly rate of pay at the time of termination.

The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absences liability payable for expendable available financial resources.

Equity Classifications

Government-wide Statements

Equity is classified as net assets and displayed in three components:

- a. Invested in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation.
- b. Restricted Net Assets – Consists of net assets with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or law through constitutional provisions or enabling legislation.
- c. Unrestricted Net Assets – All other net assets that do not meet the definition of "Restricted" or "Invested in Capital Assets".

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

1.F. REVENUES, EXPENDITURES, AND EXPENSES

Property Tax

Article 6, Section 39 of the Louisiana Constitution of 1974 provides that for the purpose of constructing and maintaining levees, levee drainage, flood protection, hurricane flood

**LAFOURCHE BASIN LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

protection, and all other purposes incidental thereto, the levee district may levy annually a tax not to exceed five mills. If the levee district needs to raise additional funds in excess of the amount collected constitutionally, the taxes in excess of five mills must be approved by a majority vote of the electors.

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes were levied by the District in November and billed to the taxpayers in December. Billed taxes become delinquent on January 1 of the following year.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds – By Character	Current (further classified by function)
	Debt Service
	Capital Outlay

In the fund financial statements, governmental funds report expenditures of financial resources.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

By its nature as state agency, the Lafourche Basin Levee District is subject to various state laws and regulations. An analysis of the District's compliance with significant laws and regulations and demonstration of its stewardship over District resources follows

2.A. FUND ACCOUNTING REQUIREMENTS

The Lafourche Basin Levee District complies with all state laws and regulations requiring the use of separate funds. The Lafourche Basin Levee District has no legally required separate funds.

**LAFOURCHE BASIN LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY
(continued)**

2.B. DEPOSITS AND INVESTMENTS LAWS AND REGULATIONS

In accordance with state law, all uninsured deposits of the Lafourche Basin Levee District in financial institutions must be secured with acceptable collateral valued at the lower of market or par. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Louisiana or political subdivision debt obligations, or surety bonds. As required by 12 U.S.C.A., Section 1823 (e), all financial institutions pledging collateral to the Lafourche Basin Levee District must have a written collateral agreement approved by the Lafourche Basin Levee District directors or loan committee. As reflected in Note 3.A., all deposits were fully insured or collateralized.

Investments are limited by R.S. 33.2955 and the Lafourche Basin Levee District's investment policy.

NOTE 3 – DETAIL NOTES ON TRANSACTION CLASSES/AMOUNTS

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenditures/expenses.

3.A. CASH AND INVESTMENTS

Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding custodial bank in the form of safekeeping receipts.

The deposits at December 31, 2009 consisted of the following:

**LAFOURCHE BASIN LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

**NOTE 3 - DETAIL NOTES ON TRANSACTION CLASSES/AMOUNTS
(continued)**

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Total</u>
Deposits in Bank Accounts per Balance Sheet	\$ 698,010	\$	\$ 698,010
Bank Balances of Deposits Exposed to Custodial Credit Risk			
a. Uninsured and uncollateralized			
b. Uninsured and collateralized with securities held by the pledging institution			
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent but not in the entity's name			
Total Bank Balances - All Deposits	\$ 777,072	\$	\$ 777,072
Reconciliation to Statement of Net Assets			
Petty Cash			\$ 50
Unrestricted Cash			698,010
			\$ 698,060

Investments

The Lafourche Basin Levee District's policies and applicable laws regarding investments are discussed in Note 1.E. and 2.B. All investments have maturities of one year or less at December 31, 2009 and are unrated. The District has no formal policies relating to interest rate risk or credit risk.

3.B. NOTES RECEIVABLE

The District has entered into several installment sale transactions transferring title to immovable property to other political subdivisions as follows:

In November 1997, some equipment was sold to the Assumption Parish Police Jury for \$22,800 with a down payment of \$1,140 and a balance receivable of \$21,660 to be paid in nineteen installments of \$1,140 due in November of each year until paid.

**LAFORCHE BASIN LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

**NOTE 3 – DETAIL NOTES ON TRANSACTION CLASSES/AMOUNTS
(continued)**

On August 15, 2000, a recreational facility in the Castle Estates section of St. John the Baptist Parish was sold to the St. John the Baptist Parish Council for \$20,500 to be paid in annual installments of \$1,025 with the first due on September 1, 2000 and each year thereafter until paid.

The changes in those transactions for the year ended December 31, 2009 are as follows:

	Balance 12/31/2008	Payments Received	Balance 12/31/2009
Assumption Parish Police Jury	\$ 9,120	\$ 1,140	\$ 7,980
St. John the Baptist Parish Council	11,275	-	11,275
	<u>\$ 20,395</u>	<u>\$ 1,140</u>	<u>\$ 19,255</u>

3.C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2009 was as follows:

	Balance 12/31/2008	Additions	Disposals	Balance 12/31/2009
Capital Assets, not being depreciated				
Land	\$ 130,227	\$ -	\$ -	\$ 130,227
Total Capital Assets, not being depreciated	<u>130,227</u>	<u>-</u>	<u>-</u>	<u>130,227</u>
Capital Assets, being depreciated				
Building	574,167	-	-	574,167
Less accumulated depreciation	<u>194,645</u>	<u>70,907</u>	<u>-</u>	<u>265,552</u>
Total Building	<u>379,522</u>	<u>-</u>	<u>-</u>	<u>308,615</u>
Machinery and equipment	1,896,898	171,290	-	2,068,188
Less accumulated depreciation	<u>1,166,866</u>	<u>174,993</u>	<u>-</u>	<u>1,341,859</u>
Total Machinery and Equipment	<u>730,032</u>	<u>3,703</u>	<u>-</u>	<u>726,329</u>
Total Capital Assets being depreciated	2,471,065	171,290	-	2,642,355
Less accumulated depreciation	<u>1,361,511</u>	<u>245,900</u>	<u>-</u>	<u>1,607,411</u>
Total Capital Assets being depreciated	<u>1,109,554</u>	<u>74,610</u>	<u>-</u>	<u>1,034,944</u>
Total Capital Assets, net	<u>\$ 1,239,781</u>	<u>\$ 74,610</u>	<u>\$ -</u>	<u>\$ 1,165,171</u>

**LAFOURCHE BASIN LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

**NOTE 3 – DETAIL NOTES ON TRANSACTION CLASSES/AMOUNTS
(continued)**

There are 63 miles of MR&T levees that lie within the jurisdiction of the Lafourche Basin Levee District. These levees were constructed and improved over the past 100 years by both original landowners and Federal and State Governments. The estimated cost of the 63 miles of MR&T levees as of December 31, 2009 is \$30,496,032. The estimate is based on information obtained from the New Orleans District of the U.S. Army Corps of Engineers.

3.D. INTERGOVERNMENTAL PAYABLES AND TRANSFERS

Of all taxes collected by the Lafourche Basin Levee District from property located within certain areas of Lafourche Parish and St. Charles Parish located west of the Mississippi River, not less than 57% and 50%, respectively of each collection shall be expended for the purposes of levee construction, levee maintenance, and other flood control and drainage works within the portions of those parishes from which the taxes were collected upon request by these parishes. These expenditures shall be in cash or in-kind services as determined by parish governing body and shall be certified as received by the parish's governing body at the end of each fiscal year.

South Lafourche Levee District

On May 30, 2001, the District (referred to as "LBLD") entered into a Intergovernmental Service Agreement with the South Lafourche Levee District (referred to as "SLLD"). The purpose of this agreement was to provide for an equal sharing by each district of oil and gas royalty payments derived from lands owned by LBLD that are situated within the jurisdictional boundary of the SLLD. Another purpose of the agreement was to provide for the creation of a committee comprised of commissioners and managers of LBLD and SLLD to jointly undertake, study, manage or administer coastal restoration projects within the Barataria Basin area where the boundaries of the SLLD and LBLD overlap. Effective January 1, 2007 the agreement was amended to read as follows: SLLD shall make payments to LBLD in the amounts of 35%, 25%, and 15% for the years 2007, 2008, and 2009 and thereafter of the mineral revenues received on any lands located within the boundaries of the SLLD that were previously owned by the LBLD. As a result of this agreement, SLLD owed LBLD \$109,314 as of December 31, 2009.

**LAFOURCHE BASIN LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

**NOTE 3 – DETAIL NOTES ON TRANSACTION CLASSES/AMOUNTS
(continued)**

3.E. LONG-TERM DEBT

Governmental Activities

As of December 31, 2009, the governmental long-term debt of the Lafourche Basin Levee District consists of the following:

	<u>OPEB Liability</u>	<u>Compensated Absences</u>
Balance at January 1, 2009	\$ 640,348	\$ 91,015
Additions	376,550	-
Deductions	<u>59,225</u>	<u>592</u>
Balance at December 31, 2009	<u>\$ 957,673</u>	<u>\$ 90,423</u>

NOTE 4 – OTHER NOTES

4.A. EMPLOYEE PENSION AND OTHER BENEFIT PLANS

Pension Plan

Substantially all employees of the Lafourche Basin Levee District are members of the Social Security System. Covered employees are required to contribute 7.65% of their gross salary and the District matches the contribution. The District's contribution to the System for the year ended December 31, 2009 was \$77,965, equal to the required contribution. The District does not have any liability for employee pension benefits.

Postemployment Health Care and Life Insurance Benefits

Plan description

Louisiana State employees may participate in the State's Other Postemployment Benefit Plan (OPEB Plan), an agent multiple-employer defined benefit OPEB Plan (for FY 2009) that provides medical and life insurance to eligible active employees, retirees and their beneficiaries. The Office of Group Benefits administers the plan. LRS 42:801-883 provides the authority to establish and amend benefit provisions of the plan. The Office

**LAFOURCHE BASIN LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

NOTE 4 – OTHER NOTES (continued)

of Group Benefits does not issue a publicly available financial report of the OPEB Plan; however, it is included in Louisiana Comprehensive Annual Financial Report (CAFR).

You may obtain a copy of the CAFR on the Office of Statewide Reporting and Accounting Policy's website at www.doa.la.gov/osrap.

Funding Policy

The plan is currently financed on a pay-as-you-go basis. The contribution requirements of plan members and the Lafourche Basin Levee District are established and may be amended by LRS 42:801-883. Employees do not contribute to their postemployment benefits cost until they become retirees and begin receiving those benefits. The retirees contribute to the cost of retiree healthcare based on a service schedule. Contribution amounts vary depending on what healthcare provider is selected from the plan and if the member has Medicare coverage.

Annual OPEB Cost

The Levee District's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if Paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. A level percentage of payroll amortization method, open period was used. For 2009, the Levee District's annual other postemployment benefit (OPEB) cost of 331,526 consisted of the following: (ARC \$330,300 plus interest of \$ 27,415 less ARC adjustment of \$ 26,189). The Levee District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for December 31, 2009, 2008 and 2007 were as follows:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percent of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/2007	\$ 406,100	16.04%	\$ 340,975
12/31/2008	\$ 379,400	21.09%	\$ 640,348
12/31/2009	\$ 331,526	17.86%	\$ 957,673

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2009, was as follows (in thousands):

**LAFOURCHE BASIN LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

NOTE 4 – OTHER NOTES (continued)

Actuarial accrued liability (AAL)	\$ 3,896,900
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	3,896,900
Funded ratio (actuarial value of plan assets/AAL)	0%

Covered payroll (annual payroll of active employee covered by the plan)	\$ 878,100
UAAL as a percentage of covered payroll	444%

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the July 1, 2009, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses) and initial annual healthcare cost trend rate of 8.0% and 9.1% for pre-Medicare and Medicare eligibles, respectively, scaling down to ultimate rates of 5% per year. The Levee District's unfunded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis. The remaining amortization period at December 31, 2009, was twenty-seven years.

Compensation Plan

Effective July 17, 2000, the District established a 457 Retirement Plan with Travelers Insurance Company adopting Traveler's Allocated Contracts which allows each

**LAFOURCHE BASIN LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

NOTE 4 – OTHER NOTES (continued)

participant to choose from four or more funds offered. This gives each participant their own account with the ability to administer their individual accounts.

The District's contribution rate was 7%. In October 2009, the District approved a retirement contribution of 15%. The total retirement contribution for 2009 amounted to \$91,167.

4.B. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires the Lafourche Basin Levee District's management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

4.C. RISK MANAGEMENT

The Lafourche Basin Levee District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters for which the Levee District purchases commercial insurance.

During the year ended December 31, 2009 the Levee district did not reduce insurance coverage from coverage levels in place as of December 31, 2008. No settlements have exceeded coverage levels in place during 2009, 2008, and 2007.

Public Entity Risk Pool

The Lafourche Basin Levee District participates in the Louisiana State Office of Risk Management (risk entity pool), which is responsible for negotiating, compromising and settling all claims including all tort claims against the Lafourche Basin Levee District.

4.D. COMMITMENTS AND CONTINGENCIES

Contingencies

Litigation

The Lafourche Basin Levee District is a defendant in lawsuits involving alleged personal injury. The District's legal counsel has reviewed all claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the District. The legal counsel is of the opinion that liability from suits is questionable or insurance coverage appears adequate and that no significant monetary liability is contemplated at this time or it is too

**LAFOURCHE BASIN LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

NOTE 4 – OTHER NOTES (continued)

early to render an opinion regarding suits. The liability amount, if any, cannot be reasonably estimated at this time.

4.E. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 24, 2010, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

5. PER DIEM TO BOARD MEMBERS

The schedule of per diem payments to Board Members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. As authorized by Louisiana Revised Statute 38:308, each member of the Board shall be reimbursed when actually in attendance at a board meeting or when required to travel for the official authorized business of the board, and such reimbursement shall not exceed \$75.00 per meeting and not to exceed 36 meetings per year (\$2,700), plus actual expenses.

The Board President is paid a monthly salary of \$1,000 in lieu of per diem during his term in office, as authorized by R.S. 38:308.

<u>Board member</u>	<u>Amount</u>
Joseph Dantin	525
Dale Dennis	1,350
Leonce Carmouche, Jr.	2,475
Hasten Lewis	1,725
Robert LeBlanc	1,950
Russell Loupe	600
William Sirmon	675
Stanley Folse	2,625
Wayne Waguespack	<u>2,625</u>
	\$14,550

REQUIRED SUPPLEMENTARY INFORMATION

**LAFOURCHE BASIN LEVEE DISTRICT
STATE OF LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes - Ad valorem taxes and interest	2,601,777	\$ 3,099,644	\$ 497,867
Intergovernmental revenues - State revenue sharing	53,000	72,007	19,007
Intergovernmental revenues - OCPR	-	275,797	275,797
Use of money and property - interest earned	153,000	63,484	(89,516)
Royalties and leases	151,500	443,052	291,552
Permits and fees	4,500	27,440	22,940
Other revenues	6,000	84,589	78,589
TOTAL REVENUES	2,969,777	4,066,013	1,096,236
Expenditures:			
Personal services and related benefits	1,622,200	1,599,578	22,622
Travel	42,300	25,684	16,616
Operating services	414,632	664,092	(249,460)
Professional services	65,400	407,074	(341,674)
Other charges	368,750	3,961	364,789
Intergovernmental transfers	86,400	-	86,400
Capital outlay	764,025	221,804	542,221
TOTAL EXPENDITURES	3,363,707	2,922,193	441,514
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURE	(393,930)	1,143,820	1,537,751
FUND BALANCE - BEGINNING OF YEAR	11,641,060	11,641,060	-
FUND BALANCE - END OF YEAR	\$ 11,247,130	\$ 12,784,880	\$ 1,537,751

**LAFOURCHE BASIN LEVEE DISTRICT
STATE OF LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS FOR POSTEMPLOYMENT BENEFITS
DECEMBER 31, 2009**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2007	\$ 0	\$ 5,641,100	\$ 5,641,100	0.00%	\$ 1,045,200	539.71%
7/1/2008	\$ 0	\$ 5,294,500	\$ 5,294,500	0.00%	\$ 1,142,800	463.29%
7/1/2009	\$ 0	\$ 3,896,900	\$ 3,896,900	0.00%	\$ 878,100	443.79%

OTHER REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

**Board of Levee Commissioners of the
Lafourche Basin Levee District**

We have audited the financial statements of the Lafourche Basin Levee District (the District), a component unit of the State of Louisiana, as of and for the year ended December 31, 2009, and have issued our report thereon dated June 24, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as described above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of the Lafourche Basin Levee District and its management, federal and state awarding agencies and pass-through entities and the Legislative Auditor of Louisiana and is not intended to be, and should not be, anyone other than those specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Hienz & Macaluso, LLC

HIENZ & MACALUSO, L.L.C.
Metairie, LA

June 24, 2010

**LAFOURCHE BASIN LEVEE DISTRICT
STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

We have audited the financial statements of the Lafourche Basin Levee District as of and for the year ended December 31, 2009, and have issued our report thereon dated June 24, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2009 resulted in an unqualified opinion.

Section I – Summary of Auditor's Results

- a. Report on internal control and compliance material to the financial statements:

Internal Control:

Material Weakness – **NO**
Control Deficiency – **NO**
Other Conditions – **NO**

Compliance:

Noncompliance Material to the Financial Statements – **NO**

- b. Federal Awards:

Not applicable.

Section II – Financial Statement Findings

There were no financial statement findings for the year ended December 31, 2009.

Section III – Federal Award Findings and Questioned Costs

Not applicable.

Section IV – Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2009.

**LAFOURCHE BASIN LEVEE DISTRICT
STATE OF LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Section I – Internal Control and Compliance Material to the Financial Statements

Not applicable.

Section II – Internal Control and Compliance Material to Federal Awards

The Levee District received no federal awards for the year ended December 31, 2008.

Section III – Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2008.

**SCHEDULES REQUIRED BY THE DIVISION OF ADMINISTRATION, OFFICE OF
STATEWIDE REPORTING AND ACCOUNTING POLICY**

LAFOURCHE BASIN LEVEE DISTRICT
STATE OF LOUISIANA
Annual Financial Statements
December 31, 2009

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AFFIDAVIT

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STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ending December 31, 2009

LAFOURCHE BASIN LEVEE DISTRICT
21380 HIGHWAY 20
VACHERIE, LA 70090

Division of Administration
Office of Statewide Reporting
and Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

Physical Address:
1201 N. Third Street
Claiborne Building, 6th Floor, Suite 6-130
Baton Rouge, Louisiana 70802

Physical Address:
1600 N. Third Street
Baton Rouge, Louisiana 70802

AFFIDAVIT

Personally came and appeared before the undersigned authority, Randy Trosclair, Administrative Program Director of Lafourche Basin Levee District who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of Lafourche Basin Levee District at December 31, 2009 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this 22nd day of June, 2010.

Randy Trosclair
Signature of Agency Official

Larry W. Buguoi
NOTARY PUBLIC
LARRY W. BUGUOI
18147

Prepared by: HIENZ & MACALUSO LLC, CPA's

Title: INDEPENDENT AUDITOR

Telephone No.: 504 837-5434

Date: JUNE 18, 2010

**STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE DISTRICT
STATEMENT OF NET ASSETS
AS OF DECEMBER 31, 2009**

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 688,060
Investments	9,179,614
Receivables (net of allowance for doubtful accounts)(Note U)	2,979,399
Due from South Lafourche Levee District	109,314
Due from Office of Coastal Protection and Restoration	7,448
Due from FEMA	26,611
Prepayments	
Notes receivable	19,255
Other current assets	
Total current assets	13,019,701

NONCURRENT ASSETS:

Restricted assets (Note F):	
Cash	
Investments	
Receivables	
Investments	
Notes receivable	
Capital assets (net of depreciation)(Note D)	
Land	130,227
Buildings and improvements	308,615
Machinery and equipment	726,329
Infrastructure	
Construction in progress	
Other noncurrent assets	
Total noncurrent assets	1,165,171
Total assets	\$ 14,184,872

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$ 115,660
Due to other funds (Note Y)	
Due to federal government	
Deferred revenues	99,906
Amounts held in custody for others	
Other current liabilities	
Current portion of long-term liabilities: (Note K)	
Contracts payable	
Compensated absences payable	
Capital lease obligations	
Claims and litigation payable	
Notes payable	
Bonds payable	
Other long-term liabilities	
Total current liabilities	215,566

NONCURRENT LIABILITIES: (Note K)

Contracts payable	
Compensated absences payable	90,423
Capital lease obligations	
Claims and litigation payable	
Notes payable	
Bonds payable	
OPEB payable	957,673
Other long-term liabilities	
Total noncurrent liabilities	1,048,096
Total liabilities	1,263,662

NET ASSETS

Invested in capital assets, net of related debt	1,165,171
Restricted for:	
Capital projects	
Debt service	
Unemployment compensation	
Other specific purposes	
Unrestricted	11,758,039
Total net assets	12,921,210
Total liabilities and net assets	\$ 14,184,872

The accompanying notes are an integral part of this financial statement.

Statement A

**STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2009**

OPERATING REVENUES	
Ad valorem taxes and state revenue sharing	\$ 3,171,651
Assessments	
Use of money and property	506,536
Licenses, permits, and fees	27,440
Other	83,449
Total operating revenues	3,789,076
OPERATING EXPENSES	
Cost of sales and services	
Administrative	2,791,839
Depreciation	245,900
Amortization	
Total operating expenses	3,037,739
Operating income(loss)	751,337
NON-OPERATING REVENUES(EXPENSES)	
State appropriations	
Intergovernmental revenues(expenses)	275,797
Taxes	
Use of money and property	
Gain on disposal of fixed assets	
Loss on disposal of fixed assets	
Federal grants	
Interest expense	
Other revenue	
Other expense	(275,797)
Total non-operating revenues(expenses)	-
Income(loss) before contributions, extraordinary items, & transfers	751,337
Capital contributions	
Extraordinary item - Loss on impairment of capital assets	
Transfers in	
Transfers out	
Change in net assets	751,337
Total net assets - beginning	12,169,873
Total net assets - ending	\$ 12,921,210

The accompanying notes are an integral part of this financial statement.

Statement B

**STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009**

See Appendix A for instructions

	Program Revenues			Net (Expense)	
		Operating	Capital	Revenue and	
		Grants and	Grants and	Changes in	
	Expenses	Charges for	Contributions	Contributions	Net Assets
		Services			
Entity	\$ 3,313,536	\$	\$	\$ 275,797	\$ (3,037,739)
General revenues:					
Taxes					3,099,644
State revenue sharing					72,007
Royalties and leases					443,052
Interest					63,484
Miscellaneous					110,889
Special items					
Extraordinary item - Loss on impairment of capital assets					
Transfers					
Total general revenues, special items, and transfers					3,789,076
Change in net assets					751,337
Net assets - beginning					12,169,873
Net assets - ending				\$	12,921,210

The accompanying notes are an integral part of this statement.

Statement C

**STATE OF LOUISIANA
LAFORCHE BASIN LEVEE DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Cash flows from operating activities

Cash received from customers	\$ 3,468,178	
Cash payments to suppliers for goods and services	(886,010)	
Cash payments to employees for services	(1,591,465)	
Payments in lieu of taxes		
Internal activity payments to other funds		
Claims paid to outsiders		
Other operating revenues (expenses)		
Net cash provided (used) by operating activities		<u>980,708</u>

Cash flows from non-capital financing activities

Sale appropriations		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Transfers in		
Transfers out		
Other		
Net cash provided (used) by non-capital financing		<u>-</u>

Cash flows from capital and related financing activities

Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets	(171,290)	
Proceeds from sale of capital assets		
Capital contributions	402,823	
Other	(215,797)	
Net cash provided (used) by capital and related financing activities		<u>(44,264)</u>

Cash flows from investing activities

Purchases of investment securities	(11,466,632)	
Proceeds from sale of investment securities	11,228,467	
Interest and dividends earned on investment securities	(63,484)	
Net cash provided (used) by investing activities		<u>(321,709)</u>

Net increase (decrease) in cash and cash equivalents 614,730

Cash and cash equivalents at beginning of year 83,330

Cash and cash equivalents at end of year \$ 698,060

Statement D
(Continued)

**STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Reconciliation of operating income(loss) to net cash provided(used) by operating activities:

Operating income(loss)	\$	<u>751,337</u>
Adjustments to reconcile operating income(loss) to net cash		
Depreciation/amortization	245,900	
Provision for uncollectible accounts		
Other		
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net	(250,921)	
(Increase)decrease in due from other funds	(108,805)	
(Increase)decrease in prepayments		
(Increase)decrease in inventories		
(Increase)decrease in other assets		
Increase(decrease) in accounts payable and accruals	(2,371)	
Increase(decrease) in compensated absences payable	(592)	
Increase(decrease) in due to other funds		
Increase(decrease) in deferred revenues	28,828	
Increase(decrease) in OPEB payable	317,327	
Increase(decrease) in other liabilities		
Net cash provided(used) by operating activities	\$	<u>980,703</u>

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease	\$	
Contributions of fixed assets		
Purchases of equipment on account		
Asset trade-ins		
Other (specify)		
Total noncash investing, capital, and financing activities:	\$	<u>-</u>

The accompanying notes are an integral part of this statement.

Statement D (concluded)

**STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE DISTRICT
Notes to the Financial Statements
As of and for the year ended December 31, 2009**

INTRODUCTION

The Lafourche Basin Levee District was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 38.291. The following is a brief description of the operations of the Lafourche Basin Levee District which includes the parish/parishes in which the Lafourche Basin Levee District is located (Ascension, Assumption, St. Charles, St. James, and St. John the Baptist):

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of Lafourche Basin Levee District present information only as to the transactions of the programs of the Lafourche Basin Levee District as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Lafourche Basin Levee District are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. BUDGETARY ACCOUNTING – NOT APPLICABLE

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (If all agency cash and investments are deposited in the State Treasury, disregard Note C.) See Appendix B for information related to Note C.

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Lafourche Basin Levee District may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Lafourche Basin Levee District may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

**STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE DISTRICT
Notes to the Financial Statements
As of and for the year ended December 31, 2009**

For the purpose of the Statement of Cash Flows and balance sheet presentation, all highly liquid investments (including negotiable CDs and restricted cash and cash equivalents) and deposits (including nonnegotiable CDs and restricted cash and cash equivalents) with a maturity of three months or less when purchased are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

GASB Statement 40, which amended GASB Statement 3, eliminated the requirement to disclose all deposits by the three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at December 31, 2009, consisted of the following:

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Other (Describe)</u>	<u>Total</u>
Balance per agency books	698,010			698,010
Deposits in bank accounts per bank	777,072			777,072
Bank balances of deposits exposed to custodial credit risk	N/A			

NOTE: The "Deposits in bank accounts per bank" will not necessarily equal the "Balance per agency books" due to outstanding items.

The following is a breakdown by banking institution, program, account number, and amount of the "Deposits in bank accounts per bank" balances shown above:

<u>Banking Institution</u>	<u>Program</u>	<u>Amount</u>
1. <u>First American Bank</u>	<u>General Fund</u>	\$ <u>762,446</u>
2. <u>First American Bank</u>	<u>Payroll Account</u>	<u>14,626</u>
3. _____	_____	_____
4. _____	_____	_____
Total		\$ <u>777,072</u>

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the balance sheet.

**STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE DISTRICT
Notes to the Financial Statements
As of and for the year ended December 31, 2009**

Cash in State Treasury	\$ 0
Petty cash	\$ 50

2. INVESTMENTS

The Lafourche Basin Levee District does maintain investment accounts as authorized by Louisiana Revised Statute 38.2955.

Custodial Credit Risk

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counterparty or the counterparty's trust department or agent but not in the entity's name. Repurchase agreements are not subject to credit risk if the securities underlying the repurchase agreement are exempt from credit risk disclosure. Using the table on this page, list each type of investment disclosing the total carrying amounts and market values, and any amounts exposed to custodial credit risk.

GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all investments by the three categories of risk. GASB Statement 40 requires only the separate disclosure of investments that are considered to be exposed to custodial credit risk. Those investments exposed to custodial credit risk are reported by type in one of two separate columns depending upon whether they are held by a counterparty, or held by a counterparty's trust department or agent not in the entity's name. In addition, the total reported amount and fair value columns still must be reported for total investments regardless of exposure to custodial credit risk.

<u>Type of Investment</u>	<u>Investments Exposed to Custodial Credit Risk</u>		<u>All Investments Regardless of Custodial Credit Risk Exposure</u>	
	<u>Uninsured, *Unregistered, and Held by Counterparty</u>	<u>Uninsured, *Unregistered, and Held by Counterparty's Trust Dept. or Agent Not in Entity's Name</u>	<u>Reported Amount Per Balance Sheet</u>	<u>Fair Value</u>
Negotiable CDs	\$ _____	\$ _____	\$ _____	\$ _____
Repurchase agreements	_____	_____	_____	_____
U.S. Government Obligations **	_____	_____	_____	_____
U.S. Agency Obligations	_____	_____	9,179,614	9,179,614
Common & preferred stock	_____	_____	_____	_____
Mortgages (including CMOs & MBSs)	_____	_____	_____	_____
Corporate bonds	_____	_____	_____	_____
Mutual funds	_____	_____	_____	_____
Real estate	_____	_____	_____	_____
Other: (Identify)	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
Total Investments	\$ _____ -	\$ _____ -	\$ 9,179,614	\$ 9,179,614

* Unregistered - not registered in the name of the government or entity ₃

**STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE DISTRICT
Notes to the Financial Statements
As of and for the year ended December 31, 2009**

3. DERIVATIVES – NOT APPLICABLE

4. CREDIT RISK, INTEREST RATE RISK, CONCENTRATION OF CREDIT RISK, AND FOREIGN CURRENCY RISK DISCLOSURES

A. Credit Risk of Debt Investments – All investments are unrated at December 31, 2009.

B. Interest Rate Risk of Debt Investments

1. Disclose the interest rate risk of debt investments by listing the investment type, total fair value, and breakdown of maturity in years for each debt investment type. (Note – This is the prescribed method, segmented time distribution, for the CAFR. Also, total debt investments reported in this table should equal total debt investments reported in Section A – Credit Risk of Debt Investments.)

Type of Debt Investment	Fair Value	Investment Maturities (In Years)			
		Less Than 1	1 - 5	6 - 10	Greater Than 10
U.S. Government obligations	\$	\$	\$	\$	\$
U.S. Agency obligations	9,179,614	9,179,614			
Mortgage backed securities					
Collateralized mortgage obligations					
Corporate bonds					
Other bonds					
Mutual bond funds					
Other					
Total debt investments	\$ 9,179,614	\$ 9,179,614	\$ -	\$ -	\$ -

2. List the fair value and terms of any debt investments that are highly sensitive to changes in interest rates due to the terms (e.g. coupon multipliers, reset dates, etc.) of the investment. See Appendix B for examples of debt investments that are highly sensitive to changes in interest rates. – NOT APPLICABLE

C. Concentration of Credit Risk – NOT APPLICABLE

D. Foreign Currency Risk – NOT APPLICABLE

5. POLICIES

Briefly describe the deposit and/or investment policies related to the custodial credit risk, credit risk of debt investments, concentration of credit risk, interest rate risk, and foreign currency risk disclosed in this note. If no policy exists concerning the risks disclosed, please state that fact.

The Lafourche Basin Levee District has no internal investment policies related to the risks noted above.

6. OTHER DISCLOSURES REQUIRED FOR INVESTMENTS – NOT APPLICABLE

D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS

STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE DISTRICT
Notes to the Financial Statements
As of and for the year ended December 31, 2009

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight line method over the useful lives of the assets.

	Year ended December 31, 2009						
	Balance 12/31/2008	Prior Period Adjustment	Adjusted Balance 12/31/2008	Additions	Transfers*	Retirements	Balance 12/31/2009
Capital assets not being depreciated							
Land	\$ 130,227	\$	\$ 130,227	\$	\$	\$	\$ 130,227
Non-depreciable land improvements			-				-
Capitalized collections			-				-
Construction in progress			-				-
Total capital assets not being depreciated	130,227	-	130,227	-	-	-	130,227
Other capital assets							
Machinery and equipment	1,896,898		1,896,898	171,290			2,068,188
Less accumulated depreciation	(1,166,866)		(1,166,866)	(174,993)			(1,341,859)
Total Machinery and equipment	730,032	-	730,032	(3,703)	-	-	726,329
Buildings and improvements	574,167		574,167				574,167
Less accumulated depreciation	(194,645)		(194,645)	(70,907)			(265,552)
Total buildings and improvements	379,522	-	379,522	(70,907)	-	-	308,615
Depreciable land improvements			-				-
Less accumulated depreciation			-				-
Total depreciable land improvements	-	-	-	-	-	-	-
Infrastructure			-				-
Less accumulated depreciation			-				-
Total infrastructure	-	-	-	-	-	-	-
Total other capital assets	1,109,554	-	1,109,554	(74,610)	-	-	1,034,944
Capital Asset Summary:							
Capital assets not being depreciated	130,227	-	130,227	-	-	-	130,227
Other capital assets, at cost	2,471,065	-	2,471,065	171,290	-	-	2,642,355
Total cost of capital assets	2,601,292	-	2,601,292	171,290	-	-	2,772,582
Less accumulated depreciation	(1,381,511)	-	(1,381,511)	(245,900)	-	-	(1,607,411)
Capital assets, net	\$ 1,239,781	\$ -	\$ 1,239,781	\$ (74,610)	\$ -	\$ -	\$ 1,165,171

* Should be used only for those completed projects coming out of construction-in-progress to fixed assets; not associated with transfers reported elsewhere in this packet.

E. INVENTORIES – NOT APPLICABLE

**STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE DISTRICT
Notes to the Financial Statements
As of and for the year ended December 31, 2009**

F. RESTRICTED ASSETS – NOT APPLICABLE

G. LEAVE

1. COMPENSATED ABSENCES

The Lafourche Basin Levee District has the following policy on annual and sick leave:

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the fund when leave is actually taken; it is recognized in the enterprise funds when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in long-term obligations. The liability for accrued compensated absences at December 31, 2009 is estimated to be \$90,423, which is recorded as a liability in the government-wide financial statements.

H. RETIREMENT SYSTEM

Effective July 17, 2000, the Lafourche Basin Levee District established a Section 457 Retirement Plan with Traveler's Insurance Company adopting Traveler's Allocated Contracts which allows each participant to choose from four or more plans offered. That gives each participant their own account with the ability to administer their individual accounts.

The District's contribution rate was 7% from January to October 2009. In October 2009, the District approved a retirement contribution of 15%. The total retirement contribution for 2009 amounted to \$91,167.

I. OTHER POSTEMPLOYMENT BENEFITS

GASB Statement No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans addresses accounting and financial reporting for OPEB trust and agency funds of the employer. *GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* establishes standards of accounting and financial reporting for OPEB expense/expenditures and related OPEB liabilities or OPEB assets, note disclosures, and required supplementary information (RSI) in the financial reports of governmental employers. See the GASB Statement No. 45 note disclosures requirements in section 2 of this note.

1. Calculation of Net OPEB Obligation

**STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE DISTRICT
Notes to the Financial Statements
As of and for the year ended December 31, 2009**

(Note: Complete the following table for only the net OPEB obligation (NOO) related to OPEB administered by the Office of Group Benefits)

Annual OPEB expense and net OPEB Obligation	
Fiscal year ending	12/31/2009
1. ARC (broken down by agency on pages 29-33 of the actuarial valuation report)	330,300
2. *NOO, beginning of year (see <i>OPEB Liability Spreadsheet of FYE 6/30/08</i> on OSRAP's website)	685,373
3. Amortization factor	28.17
4. Interest on NOO (4% x 2.)	27,415
5. ARC adjustment (2/3.)	26,189
6. Annual OPEB expense (1. + 4. - 5.)	331,528
7. Contributions (payments to OGB for retiree's cost of group insurance 2009 premiums)	59,225
8. Adjustment to OGB billings for retirees' insurance 2009 premiums	0
9. **NOO, end of year (2. + 6. - 7 + or - 8.)	957,674

* This must be obtained from the OSRAP website on the spreadsheet "OPEB Liability Spreadsheet for FYE June 30, 2008"

**This should be the same amount as that shown on the Balance Sheet for the year ended 12/31/09 if your entity's only OPEB is administered by OGB.

J. LEASES – NOT APPLICABLE

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended December 31, 2009:

	Year ended December 31, 2009			Balance December 31 2009	Amounts due within one year
	Balance December 31 2008	Additions	Reductions		
Notes and bonds payable:					
Notes payable	\$	\$	\$	\$ --	\$
Bonds payable				--	
Total notes and bonds	--	--	--	--	--
Other liabilities:					
Contracts payable				--	
Compensated absences payable	91,015		592	90,423	--
Capital lease obligations				--	
Claims and litigation				--	
OPEB payable	640,348	376,550	59,225	957,673	
Other long-term liabilities				--	
Total other liabilities	731,363	376,550	59,817	1,048,096	--
Total long-term liabilities	\$ 731,363	\$ 376,550	\$ 59,817	\$ 1,048,096	\$ --

(Send OSRAP a copy of the amortization schedule for any new debt issued.)

L. CONTINGENT LIABILITIES

The Lafourche Basin Levee District is a defendant in lawsuits involving alleged personal injury. The District's legal counsel has reviewed all claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the District. The legal counsel is of the opinion that liability from suits is questionable or

STATE OF LOUISIANA
LAFORCHE BASIN LEVEE DISTRICT
Notes to the Financial Statements
As of and for the year ended December 31, 2009

insurance coverage appears adequate and that no significant liability is contemplated at this time or it is too early to render an opinion regarding suits. The liability amount, if any, cannot be reasonably estimated at this time.

- M. RELATED PARTY TRANSACTIONS – NOT APPLICABLE**
- N. ACCOUNTING CHANGES – NOT APPLICABLE**
- O. IN-KIND CONTRIBUTIONS – NOT APPLICABLE**
- P. DEFEASED ISSUES – NOT APPLICABLE**
- Q. REVENUES – PLEDGED OR SOLD (GASB 48) - NOT APPLICABLE**
- R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS) – NOT APPLICABLE**
- S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS – NOT APPLICABLE**
- T. SHORT-TERM DEBT – NOT APPLICABLE**
- U. DISAGGREGATION OF RECEIVABLE BALANCES**

Receivables at December 31, 2009, were as follows:

Fund (gen. fund, gas tax fund, etc.)	Employee Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
General Fund	\$	\$ 2,969,013	\$	\$ 10,386	\$ 2,979,399
Gross receivables	\$ -	\$ 2,969,013	\$	\$ 10,386	\$ 2,979,399
Less allowance for uncollectible accounts	-	-	-	-	-
Receivables, net	\$ -	\$ 2,969,013	\$ -	\$ 10,386	\$ 2,979,399
Amounts not scheduled for collection during the subsequent year	\$ N/A	\$	\$	\$	\$ -

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at December 31, 2009, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
General Fund	\$ 96,662	\$ 18,998	\$	\$	\$ 115,660
Total payables	\$ 96,662	\$ 18,998	\$ -	\$ -	\$ 115,660

**STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE DISTRICT
Notes to the Financial Statements
As of and for the year ended December 31, 2009**

W. SUBSEQUENT EVENTS –

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 24, 2010, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

X. SEGMENT INFORMATION – NOT APPLICABLE

Y. DUE TO/DUE FROM AND TRANSFERS – NOT APPLICABLE

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS – NOT APPLICABLE

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS

BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB STATEMENT 46) – NOT APPLICABLE

CC. IMPAIRMENT OF CAPITAL ASSETS – NOT APPLICABLE

DD. EMPLOYEE TERMINATION BENEFITS – NOT APPLICABLE

EE. POLLUTION REMEDIATION OBLIGATIONS – NOT APPLICABLE

**STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE DISTRICT
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
For the Year Ended December 31, 2009**

<u>Name</u>	<u>Amount</u>
Joseph Dantin	525
Dale Dennis	1,350
Leonce Camouche, Jr.	2,475
Hasten Lewis	1,725
Robert LeBlanc	1,950
Russell Loupe	600
William Simon	675
Stanley Folse	2,625
Wayne Waguespack	2,625

\$	<u>14,550</u>
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Note: The per diem payments are authorized by Louisiana Revised Statute, and are presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature.

**STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE DISTRICT
SCHEDULE OF NOTES PAYABLE
December 31, 2009**

NOT APPLICABLE

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total		\$ _____	\$ _____	\$ _____	\$ _____		\$ _____

*Send copies of new amortization schedules

SCHEDULE 3-A

**STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE DISTRICT
SCHEDULE OF BONDS PAYABLE
December 31, 2009**

NOT APPLICABLE

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total		\$ _____	\$ _____	\$ _____	\$ _____		\$ _____

*Send copies of new amortization schedules

SCHEDULE 3-B

**STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE DISTRICT
SCHEDULE OF CAPITAL LEASE AMORTIZATION
For The Year Ended December 31, 2009**

NOT APPLICABLE

Ending:	Payment	Interest	Principal	Balance
2009	\$ _____	\$ _____	\$ _____	\$ _____ --
2010	_____	_____	_____	_____ --
2011	_____	_____	_____	_____ --
2012	_____	_____	_____	_____ --
2013	_____	_____	_____	_____ --
2014-2018	_____	_____	_____	_____ --
2019-2023	_____	_____	_____	_____ --
2024-2028	_____	_____	_____	_____ --
2029-2033	_____	_____	_____	_____ --
Total	\$ _____ --	\$ _____ --	\$ _____ --	\$ _____ --

SCHEDULE 4-A

STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE DISTRICT
SCHEDULE OF NOTES PAYABLE AMORTIZATION
For the Year Ended December 31, 2009

NOT APPLICABLE

Fiscal Year Ending:	Principal	Interest
2009	\$ _____	\$ _____
2010	_____	_____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014-2018	_____	_____
2019-2023	_____	_____
2024-2028	_____	_____
2029-2033	_____	_____
Total	\$ _____ -	\$ _____ -

SCHEDULE 4-B

**STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE DISTRICT
SCHEDULE OF BONDS PAYABLE AMORTIZATION
For The Year Ended December 31, 2009**

NOT APPLICABLE

Fiscal Year		
<u>Ending:</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ _____	\$ _____
2010	_____	_____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
2030	_____	_____
2031	_____	_____
2032	_____	_____
2033	_____	_____
Total	\$ _____	\$ _____

STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE DISTRICT
SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES
BUDGETARY COMPARISON OF CURRENT APPROPRIATION
NON-GAAP BASIS
DECEMBER 31, 2009
NOT APPLICABLE

	Financial Statement	Adjustments	ISIS Appropriation Report-08/14/09	Revised Budget	Variance Positive/(Negative)
Revenues:					
Intergovernmental Revenues	\$	\$	\$	\$	\$
Federal Funds					
Sales of Commodities and Services					
Other					
Total appropriated revenues					
Expenses:					
Cost of goods sold	\$	\$	\$	\$	\$
Personal services					
Travel					
Operating Services					
Supplies					
Professional services					
Other charges					
Capital outlay					
Interagency transfers					
Debt service					
Other:					
Bad debts					
Depreciation					
Compensated absences					
Interest expense					
Other (Identify)					
Total appropriated expenses					
Excess (deficiency) of revenues over expenses (budget basis)	\$	\$	\$	\$	\$

Note: Schedule 5 is only applicable for those entities whose budget is appropriated by the legislature.
SCHEDULE 5

**STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE DISTRICT
SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES
BUDGETARY COMPARISON OF CURRENT APPROPRIATION
NON-GAAP BASIS
December 31, 2009**

NOT APPLICABLE

Excess (deficiency) of revenues over expenses (budget basis)

\$ _____

Reconciling items:

Cash carryover

Use of money and property (interest income)

Depreciation

Compensated absences adjustment

Capital outlay

Disposal of fixed assets

Change in inventory

Interest expense

Bad debts expense

Prepaid expenses

Principal payment

Loan Principal Repayments included in Revenue

Loan Disbursements included in Expenses

Accounts receivable adjustment

Accounts payable/estimated liabilities adjustment

Other

Change in Net Assets

\$ _____

SCHEDULE 4-C

STATE OF LOUISIANA
LAFOURCHE BASIN LEVEE DISTRICT
COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than \$1 million, explain the reason for the change.

	<u>2009</u>	<u>2008</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ <u>4,064,873</u>	\$ <u>4,240,139</u>	\$ <u>(175,266)</u>	\$ <u>(4.13%)</u>
Expenses	<u>3,313,536</u>	<u>3,326,605</u>	<u>(13,069)</u>	<u>(0.39%)</u>
2) Capital assets	<u>1,165,171</u>	<u>1,239,781</u>	<u>(74,610)</u>	<u>(6.02%)</u>
Long-term debt	<u>1,048,096</u>	<u>731,363</u>	<u>316,733</u>	<u>43.31%</u>
Net Assets	<u>12,921,210</u>	<u>12,169,873</u>	<u>751,337</u>	<u>6.17%</u>

Explanation for change:

SCHEDULE 15

AGENCY NUMBER _____
AGENCY NAME _____

NOT APPLICABLE

[illegible]